

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

CARL BLESSING, et al., on Behalf of Themselves and All  
Others Similarly Situated,

Plaintiffs,

No. 09-cv-10035 (HB)(RLE)

-against-

SIRIUS XM RADIO INC.,

Defendant.

**DECLARATION OF MATTHEW POTTER IN  
SUPPORT OF PLAINTIFFS' MOTION FOR FINAL  
APPROVAL OF PROPOSED SETTLEMENT**

MATTHEW POTTER, hereby declares under penalty of perjury as follows:

1. I am Executive Vice President of Rust Consulting, Inc. ("Rust"). I have been employed at Rust for more than 12 years, during which I have been responsible for the administration of more than 300 settlements. I make this declaration in support of Plaintiffs' motion for final approval of proposed settlement resolving all claims of the Class.
2. Rust Consulting specializes in class action notification and claims administration. Rust Consulting has provided claims administration services for class actions in cases involving consumers, pension benefits, securities, product liability, insurance, antitrust, fraud, property, employment, discrimination, bankruptcy and other types of class action cases. We regularly provide large-scale notification, claim form request processing, claims validation and processing, settlement benefits distribution, and claims administration services. Rust Consulting has provided claims administration services for more than 3,000 class action settlements and distributed billions of dollars in settlement assets.

3. Most often when distributing funds to class members in the settlement distribution context, Rust prints an 8 ½" x 11" page, with the top half of the document containing information about the distribution and the bottom half being the actual check. This page is then folded and inserted into a window envelope for mailing.

4. For each payment, administrative costs of approximately 66¢ would be incurred, as follows:

- a. Cost of check clearing: 18¢ per check
- b. Cost of printing check: 10¢ per check
- c. Postage (at First Class discounted rate): 37¢ per check
- d. Administrative fees: approximately 1¢ per check

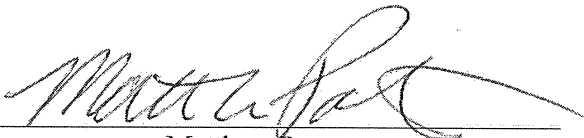
5. To print and mail checks for the 15,680,286 class members in this case in this manner, these costs would have totaled approximately \$10,350,000.

6. In addition, in many cases where class members are paid from a common fund, rather than paying each claimant the same amount, the claims are paid on a *pro rata* basis. For example, in this case, a class member who had been a Sirius XM subscriber (and paid the fees at issue in the case) for one year would receive twice as much as a class member who had been a subscriber (and paid the fees) for only six months. Additional administrative costs, above the 66¢ per check, including expert fees, could be involved in calculating the proper *pro rata* payment due to each class member.

7. In my experience on projects with processing payments to claimants, when checks are written for amounts between \$5 and \$9.99, some of these checks will not be cashed by the class members (approximately 15% of checks were not cashed on a sampling of projects I

reviewed). For checks less than \$5, a much higher percentage of checks is likely to remain uncashed.

Done at Faribault, MN this 2 nd day of August, 2011.

  
Matthew Potter